

Fiscal Note

BILL # HB 2543

TITLE: state permitting dashboard

SPONSOR: Wilmeth

STATUS: As Introduced

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Description

The bill would require the Governor to appoint a state permitting director to establish and administer a state permitting dashboard. Public or private infrastructure projects with construction costs over \$25 million or smaller compatible projects would qualify for assistance. For participating projects, the director would facilitate establishing timelines for executive state agencies to address a permit request. The timelines would be displayed on a visual dashboard. If disputes arise related to the permitting timetable arise that cannot be mediated by the director, the Governor's Regulatory Review Council (GRRC) would resolve disputes.

Estimated Impact

We estimate that the bill would result in ongoing operating costs of \$300,000 to \$2 million, depending on the organization of the office. We anticipate one-time information technology development costs of \$500,000 to \$5 million for the automated dashboard. The actual costs would depend on how the state permitting director implements the programs and how many entities will voluntarily go through the process.

The bill assigns the Governor's Regulatory Review Council (GRRC) with the responsibility for dispute resolution and rulemaking authority for this process. We estimate that GRRC could have increased costs but the impact will depend on how many entities will use the dashboard process.

As of publication, the Executive Branch/Arizona Department of Administration (ADOA) and GRRC have not yet provided an estimate.

Analysis

The program is modeled after the Federal Infrastructure Permitting Dashboard administered by the Federal Permit Improvement Steering Council (Permitting Council) to improve the permitting of large-scale projects for energy and transportation with a cost of over \$250 million. With an FFY 2020 appropriation of \$8.0 million, the office produced outlines of permitting processes, operated a dashboard, and coordinated with federal agencies. In 2020, the Permitting Council reported working on 28 projects nationally.

The bill would create an Arizona dashboard for projects over \$25 million or smaller compatible projects with the approval of the director to provide a visual of authorizations and a timeline for completion. The permitting-director would provide a list of all the authorizations required from an Executive branch agency (licenses, permits approvals, findings, land use permits, determinations, or other administration decisions) related to the siting, constructing, reconstructing or commencing of operations based on the materials supplied by the applicant.

Since participation is voluntary, the number of participating projects cannot be estimated. In terms of eligibility, our research indicates at least 150 private or private-public projects are in pre-construction planning stages with construction costs of at least \$25 million. Additional public large infrastructure projects may include university buildings, convention centers, customs ports, bridges, road repair, and parks.

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At the time of publication, we have not received data from the Executive of authorizations likely to fall under the purview of the dashboard. The bill defines authorizations as licenses, permits approvals, findings, land use permits, determinations, or other administrative decisions related to the infrastructure development. The Department of Environmental Quality (ADEQ), Department of Transportation (ADOT), Arizona State Land (ASL), Department of Water Resources (ADWR), Arizona Commerce Authority, Arizona Game & Fish Department, the State Historic Preservation Office (SHPO) and any other agencies that require authorization are to participate in the dashboard when identified as having an authorization for a project. We have assumed costs of coordinating will be covered by each agency.

ADEQ, ADOT, Arizona Commerce Authority, SHPO, and ADWR have permits or authorizations under state law, as do other agencies not listed like the Department of Agriculture and the Department of Housing. As land managers, the following executive agencies may provide authorizations: ASL, Game and Fish, State Parks Board, ADOA, ADOT. The dashboard does not include authorizations, permits or approvals from tribal communities, local or state government, or non-executive state agencies like the Corporation Commission, State Mine Inspector, Arizona State Museum, or the Arizona Board of Regents.

The permitting director is required by the bill to establish a visual timetable with relevant application and authorization documents. If the director cannot mediate disputes related to the permitting timetable, GRRC will review the dispute and recommend a course action to the director. The director may require agency action to settle the dispute. GRRC has not supplied any estimate of costs related to this responsibility.

We looked for similar projects in other states but did not find a program exclusively dedicated to a permitting dashboard and mediation of timeframe issues. Several states have permitting or regulatory offices focused on improving applicant experience and timeframes – California, Washington, and Massachusetts. In Massachusetts, a \$2.0 million office assists stakeholders with permitting across state-county governments, broadband, and housing. In Washington, legislation created a regulatory assistance office and an Executive Order for regulatory improvements led to a 10-Person Governor's Office for Regulatory Innovation and Assistance that produces a regulatory handbook, provides navigation consultants, an annual report on timeliness of permitting, and develop an e-permitting site for hydraulic project approvals. Research of these sites and the federal dashboard highlighted activities common with improving regulatory processes.

Looking at the experiences of other states and recent agency expenditures in Arizona, we estimate annual operating costs at \$300,000 to \$2.0 million. The low end is based on the costs of the director and one or two staff working within the Governor's office similar to the Governor's Office of Equal Opportunity where office space and other expenses are absorbed by the Executive Branch. The \$2.0 million is based on a ten to twelve person staff facilitating the permitting dashboard mission for applicants.

We estimate \$500,000 to \$5.0 million for one-time development costs depending on the robustness of the dashboard and how it communicates with other agency databases and systems.

Local Government Impact

The bill does not place any obligation on city or local governments.